

RECORDATION NO.

25245-D
FILED

VIA UPS 2ND DAY AIR

FIRST UNION RAIL

OCT 15 '04 4-10 PM

SURFACE TRANSPORTATION BOARD

One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Tel 847.318.7575
Fax 847.318.7588

OCT 15 2004
RECEIVED

October 13, 2004

Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are one (1) original and two (2) copies of a Memorandum of Lease Agreement, dated September 13, 2004, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Memorandum of Lease which was duly filed with the Board on this date as Recordation Number _____.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Canadian Pacific Railway Company
401 9th Ave SW, 5th Floor
Calgary, Alberta T2P 4Z4
Canada

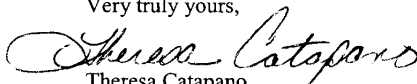
A description of the railroad equipment covered by the enclosed document is eighty-nine (89) 286,000 GRL, 52'6" interior length, 5'6" sides, mill gondolas (E534), cars marked NOKL (see Exhibit A for car numbers).

A short summary of the document to appear in the index follows: Memorandum of Lease

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5375. Thank you for your cooperation in this matter.

Very truly yours,


Theresa Catapano
Manager of Documentation

Enclosures

(CP054)

RECORDATION NO. 25245-1 FILED

ASSIGN. NO. CP054

OCT 15 '04 4-10 PM

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 13th day of September, 2004, by and between the Montreal branch of FIRST UNION RAIL CORPORATION (the "Lessor"), a North Carolina corporation, and CANADIAN PACIFIC RAILWAY COMPANY, (the "Lessee"), a Canadian corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease") dated as of February 4, 1998, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 26 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of March 3, 2004, and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

NAME: Susan Barrie

TITLE: Regional Vice President, Sales

SIGNATURE: *Susan Barrie*

PROVINCE OF QUEBEC

DISTRICT OF MONTREAL

I, *Gordon Hopkins* ~~Danielle Lord~~, a Commissioner of Oaths of the Province and District aforesaid, certify that Susan A. Barrie personally appeared before me this day and acknowledged her execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 13th day of September, 2004.

Gordon Hopkins
Commissioner of Oaths

My Commission expires:

21/07/2006



LESSEE:

CANADIAN PACIFIC RAILWAY COMPANY

NAME Donald B. Campbell
VP Business Planning & Development
Canadian Pacific Railway

TITLE : _____

SIGNATURE: *Donald B. Campbell*

PROVINCE OF Alberta

CITY
DISTRICT OF Calgary

I, Don Barnhardt, a Commissioner of Oaths of the Province
and District aforesaid, certify that Don Campbell personally appeared before me
this day and acknowledged his/her execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 7th day of September, 2004.

Don Barnhardt
Commissioner of Oaths

~~My Commission expires:~~

DON BARNHARDT
Barrister and Solicitor
Suite 920, 401 - 9th Avenue SW
Calgary, AB T2P 4Z4
Telephone: 319-6183

EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Eighty-nine (89).

DESCRIPTION OF CARS: 286,000 GRL, 52'6" interior length, 5'6" sides, mill gondola (E534) cars suitable for scrap metal service.

CAR NUMBERS:

NOKL 320086	NOKL 321610	NOKL 322154
NOKL 320088	NOKL 321612	NOKL 322158
NOKL 320089	NOKL 321616	
NOKL 320090	NOKL 321618	Count 89
NOKL 320094	NOKL 321620	
NOKL 320095	NOKL 321622	
NOKL 320097	NOKL 321626	
NOKL 320106	NOKL 321631	
NOKL 320108	NOKL 321633	
NOKL 320111	NOKL 321638	
NOKL 320113	NOKL 321639	
NOKL 320114	NOKL 321645	
NOKL 320115	NOKL 321648	
NOKL 320117	NOKL 322100	
NOKL 320118	NOKL 322105	
NOKL 320125	NOKL 322108	
NOKL 320126	NOKL 322112	
NOKL 320127	NOKL 322129	
NOKL 320129	NOKL 322136	
NOKL 320145	NOKL 322138	
NOKL 320172	NOKL 322141	
NOKL 320174	NOKL 322143	
NOKL 320778	NOKL 322147	
NOKL 320781	NOKL 322148	
NOKL 320784	NOKL 320077	
NOKL 320787	NOKL 320107	
NOKL 320792	NOKL 320112	
NOKL 320794	NOKL 320161	
NOKL 320795	NOKL 320192	
NOKL 320807	NOKL 320194	
NOKL 320812	NOKL 320377	
NOKL 320813	NOKL 320384	
NOKL 320817	NOKL 320978	
NOKL 320993	NOKL 320980	
NOKL 321002	NOKL 321072	
NOKL 321005	NOKL 321556	
NOKL 321011	NOKL 321611	
NOKL 321039	NOKL 321614	
NOKL 321066	NOKL 321617	
NOKL 321080	NOKL 321635	
NOKL 321084	NOKL 321641	
NOKL 321086	NOKL 322122	
NOKL 321606	NOKL 322139	